

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF ADJUSTMENT OF RATES
OF COLUMBIA GAS OF KENTUCKY, INC.

)
) CASE NO. 9554

O R D E R

Based on the prefiled testimony and the responses to the data requests, the Commission hereby advises the parties that the staff is reviewing the following issues for purposes of cross-examination. This does not preclude examination or consideration of other issues by the staff or the Commission.

1. Capital Structure (should short-term debt be included).
2. Cost of debt (particularly short-term debt).
3. Rate of return on equity.
4. Deferred recovery in later PGA (Spring 1987).
5. PGA proposal.
6. Rate design - especially as it relates to PGA proposal.
7. Transportation rate adjustment for recovery (Where Columbia flexed down since last rate case).
8. Transportation rate proposal.
9. Revenue allocation - a) cost of service and how spread to classes; b) other considerations in revenue allocation.
10. Weather normalization.
11. Committed construction on Toyota.
12. Cost of service study.

13. Extent of potential bypass.
14. Salaries and wages.
15. Depreciation expense.
16. Rate base.
 - a. Nominated gas purchases.
 - b. Deferred tax credits.
 - c. Acquisition adjustment.
17. Synchronized interest expense.
18. Bad debts expense.
19. Pensions and benefits.
20. Taxes other than income taxes.
21. Toyota Plant (all aspects).
22. Gain on reacquired debt.
23. Management audit expense.
24. Income tax expense.
25. Advertising expense.
26. Parent company overhead.

Done at Frankfort, Kentucky this 30th day of September, 1986.

PUBLIC SERVICE COMMISSION


For The Commission

ATTEST:

Executive Director